

NATIONAL TAIWAN UNIVERSITY
Department of International Business
Financial Engineering I

Assistant Professor Jia-hau Guo

Fall 2008

Room

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COURSE DESCRIPTION

The major goal of this course is to provide students with complete understanding of many financial markets and products. Topics such as forward and futures, swaps, and options will be fully covered. In addition, the basic pricing methods of these innovative products will be emphasized in this course. Finally, even to a MBA student, the knowledge mentioned in this course is sure to be helpful for his (or her) future career.

TEXT AND READINGS

Required: Options, Futures, and Other Derivatives, by J. C. Hull, 6th ed.

EXAMS AND GRADINGS

Midterm Examination	40%	Final Examination	40%
Class Participation or some Homework		20%	

COURSE OUTLINE

1. Introduction (Chapter 1)
2. Futures and Forward (Chapters 2-5)
3. Interest-Rate Futures (Chapter 6)
4. Interest-Rate Swaps (Chapter 7)
5. Options Markets (Chapter 8)
6. Basic Properties and Trading Strategies of Stock Options (Chapters 9-10)
7. Stock Options Pricing (Chapters 11-13, 17)
8. Options on Stock Indices, Currencies, and Futures (Chapter 14)
9. The Greek Letters (Chapter 15)
10. Volatility smiles (Chapter 16)